

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 30, 2024
BOX CANYON DAM, IONE, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Joseph B. Onley, President
David W. Rick, Vice President
Curtis J. Knapp, Secretary

Staff Present: Management/District Staff
Karen Willner, Clerk of the Board

Absent: John Janney, General Manager

Others: Gretchen Koenig, Member of the Public
Monty Stahl, COO, Merkle Standard
David Baldwin, AMEG Enterprises, LLC

The meeting was called to order at 9:30 a.m. by Joseph B. Onley, President. He inquired if the Board wanted to add an executive session for a performance review of a public employee to the agenda. Discussion was held. An executive session will be added.

CONSENT AGENDA:

The minutes from the July 16, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, July 30, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The revised agenda for July 30, 2024, and the minutes of the July 16, 2024 meeting as amended.
- Vouchers audited certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been made available to the Board. Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 9545 through 9564 in the total amount of \$441,308.27; ACH payments in the total amount of \$609,766.02; Wire Transfers in the total amount of \$504,169.63; and ACH payroll transactions in the total amount of \$281,543.29 for the payroll ending July 15, 2024.

The motion passed unanimously.

Commissioner Onley announced a 10-minute executive session to review the performance of a public employee will begin at 9:40 a.m. If the executive session needs to be extended he will rejoin the open session to publicly announce an extension. No final action will be taken during the executive session. Following the executive session, he and the Board will rejoin the open session to resume the meeting.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 10-minute executive session to review the performance of a public employee commenced at 9:40 a.m. The following were in attendance: Board of Commissioners; and Suzie Wrbelis, Director of Human Resources. The executive session ended at 9:51 a.m. and the Board returned to open session. No final action was taken during the executive session.

GENERAL MANAGER REPORT:

April Owen, District Director of Finance, reported John Janney, District General Manager, is not able to attend today's meeting and she is covering. She reported we received a Public Employees' Retirement System (PERS) notification of changes to PERS and the rates. The employer portion of contributions is being adjusted for eligible wages from 9.53% to 9.03%. It will then increase to 9.11% on September 1. She compared contribution plans versus benefit plans. She reported the employee portion of contributions is 6.36% and is set until changed by legislation. Discussion was held.

She reported there will be more information on the Washington State Department of Commerce Clean Energy Credits for Washington Families Grant Program at the August 6 Board meeting. We have \$375,000 in grant funding from the Department of Commerce that we need to give to eligible low- and moderate-income residential electric customers through September 15. Eligible customers receive a one-time \$200 bill credit. We have a link on our website and the program is being administered by Promise.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Onley asked if there was any business or comments from the public.

Monty Stahl, COO of Merkle Standard, thanked Ben Hall, District Energy Resources Manager, and Mr. Janney for working with Steve Wood, CEO of Merkle Standard on the new electric service agreement. He commented that they had good coordination with District System Operators when a lightning strike hit their substation. He introduced David Baldwin, AMEG Enterprises, LLC, who is working with them. Mr. Baldwin commented it was nice to meet everyone and to be here today.

Gretchen Koenig, member of the public, inquired if the Clean Energy Credits grant amount is not used if it needs to be refunded back to the State. Ms. Owen reported it does. Ms. Koenig inquired if the District is considering getting a small modular nuclear reactor. Commissioner Onley reported that at the current time we are not using our resources in investing in one. Commissioner Knapp reported on Energy Northwest's reactor.

Suzie Wrbelis, District Director of Human Resources, introduced Stacie Maier, District Director of Utility Services, who started yesterday at the District. The Board welcomed Ms. Maier to the District. She provided her background.

Commissioner Onley thanked everyone for their comments and for attending. He thanked staff for the new meter information that was distributed. Ms. Owen reported thanks go to Sarah Holderman, District Director of Customer Services, and Amber Gifford, District Communications and Contracts Administrator.

Discussion was held regarding the Clean Energy Credits \$200 customer bill credit qualification and the scheduled tour for later today. The Board, staff, and public will tour the Campbell Pond. Commissioner Onley expressed his appreciation of Bryant Kramer, District Director of Power Production, and his staff for their work and projects being done at Box Canyon.

BOX CANYON UPDATE:

Mr. Kramer showed and explained the gears that raise and lower the Sullivan Lake Dam spillway gates. He reported the original gears will be replaced.

He provided an overview of the projects occurring at Box Canyon and reported the summer student program is important in making maintenance and other projects happen and it's a good program for college students. He provided an overview of the summer student jobs and reported there are three doing maintenance and one being a tour guide.

He reported Charles Johnson is the District's Camp Host at the Campbell Campground. Mr. Johnson had reported there were roughly 70 registered campers for the Down River

Days Celebration this past weekend. Mr. Kramer shared a complimentary and appreciation letter from a camper.

He provided a projects overview which included the unit 4 inspection and bearing overhaul and the hydraulic oil change. These projects were due to the unit overspeed event. He reported unit 3 was dewatered for the scroll case and draft tube work. The crew worked on the turbine guide bearings. The spillway apron repairs will be done this year or next spring. A contractor will seal the 100 HP tunnel conduit at the Calispell Creek Dike. We will continue to work with the Federal Energy Regulatory Commission (FERC) and McMillen dam safety engineers to address FERC concerns with plans for the sheet pile wall planned for the Calispell Creek Dike.

He reported that next year the Box Canyon Dam and Sullivan Dam will have a 5-year Part 12 FERC Periodic Inspection (PI), a formalized dam safety inspection performed by a specialty contractor. We have awarded this contract to GeoEngineers Incorporated of Spokane, Washington. He noted the Board may see invoices coming since work will begin in the 2024 fiscal year.

He reported the annual FERC regulatory dam safety inspection was done in May and a FERC environmental inspection is scheduled for August. He also discussed the upcoming fire alarm system upgrade for the Box Canyon site and discussed budgeting for the generator unit fire suppression systems. Discussion was held regarding the 5-year Emergency Action Plan (EAP) training. The last Functional EAP drill was jointly held with Seattle City Light in 2022 and will be due again in 2027.

The Board thanked Mr. Kramer for his update.

ACTION ITEMS:

- Bid Award Surplus Property – Fleet Asset #151, a 2008 Ford F150. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to award the bid to the highest bidder as presented. The motion passed unanimously.
- Declaration of Surplus Property – Approximately 34 Wooden Utility Power Poles. The poles will be offered for sale through our sealed bid process. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and declare the poles as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Resolution No. 1487 – General Manager Salary Adjustment. Discussion was held. Commissioner Knapp would like to table this item until we receive the employee compensation report back from the consultant. This item was tabled.

COMMISSION REPORT:

Commissioner Rick attended the virtual Washington Public Utility Districts Association (WPUDA) meetings on July 17 – 19 and provided an overview. He thanked Commissioner Knapp for the meeting materials.

Commissioner Knapp attended the WPUDA meetings on July 17 – 19 in Longview and provided an overview. He attended the Energy Northwest Board meeting on July 23 – 25 in Tri-Cities and provided an overview. He met with the Energy Northwest consultant for the CEO's Annual Review on July 26 in Tri-Cities.

Commissioner Onley attended the virtual WPUDA meetings on July 17 – 19 and provided a Telecom Committee meeting overview. Discussion was held.

COMMISSION BUSINESS:

Commissioner Knapp will attend the Public Power Council and Pacific Northwest Utilities Commission Conference meetings on August 7 - 9 in Portland.

Commissioner Onley may attend the PPC and PNUCC meetings on August 7 – 9 in Portland.

- Pre-Approval of Commissioner Travel or Meeting Attendance. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the Commissioner Travel or Meeting Attendance for August. The motion passed unanimously.

Commissioner Knapp reported the Annual Kalispel Tribe of Indians Pow-Wow is August 2 – 4 in Usk.

Commissioner Onley asked if there was any other business for the good of the order.

Mr. Stahl reported that during the weather cold snap in January they were able to give power back and can be viewed as a power resource.

Discussion was held regarding Bonneville Power Administration needing to dump power that it can't sell. Mr. Kramer explained there is a resistor on their transmission system.

Commissioner Onley reported that following a Summer Student Recognition Lunch and a tour of Campbell Pond, the meeting will be adjourned. The next meeting will be held on August 6 at 8:30 a.m. in Newport.

Ms. Willner reported there will be a Summer Student Recognition Lunch on August 6 in Newport.

There being no further discussion to come before the Board, the meeting adjourned at 12:15 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form